

TABLE 1
SMS/800 - COMPARISON of CURRENT and PROPOSED RATES

ITEM NO.	RESPORG SERVICE/RATE ELEMENT	CURRENT RATES (a)	PROPOSED RATES (b)	\$ CHANGE (c) = (b-a)	% CHANGE (d) = (c/a)	REVENUE IMPACT (e)
1	<i>Cust. Rcrd. Admn.</i>	\$ 0.2127	\$ 0.1530	-\$0.0597	-28.06%	-\$16,491,364
2	<i>RESPORG Change</i>	\$ 18.53	\$ 19.10	\$0.58	3.11%	\$26,397
3	<i>Access: Dial-up</i>	\$ 131.19	\$ 88.90	-\$42.29	-32.23%	-\$440,979
4	<i>Access: Ded. (non-MGI)</i>	\$ 121.27	\$ 81.20	-\$40.07	-33.04%	-\$31,359
5	<i>Access: Ded. (MGI)</i>	\$ 512.77	\$ 375.47	-\$137.30	-26.78%	-\$34,599
6	<i>Service Est. - First</i>	\$ 1,841.65	\$ 1,664.11	-\$177.54	-9.64%	-\$5,859
7	<i>Service Est. - Add'l.</i>	\$ 105.17	\$ 48.34	-\$56.83	-54.03%	-\$99,729
8	<i>Customer Reports</i>	\$ 548.91	\$ 417.80	-\$131.11	-23.89%	-\$51,920
9	<i>MGI Additional Testing per Hour</i>	\$ 180.00	\$ 119.84	-\$60.16	-33.42%	NA
10	<i>MGI Additional Testing per Day</i>	\$ 1,440.00	\$ 958.72	-\$481.28	-33.42%	NA
11	<i>Batch Update Testing per Hour</i>	\$ 180.00	\$ 119.84	-\$60.16	-33.42%	NA
12	<i>Batch Update Testing per Day</i>	\$ 1,440.00	\$ 958.72	-\$481.28	-33.42%	NA
Net Impact						-\$17,129,412

Notes:

1. Column (b) source is Table 6, column (c).
2. Column (e) is the product of column (c) and Table 3, column (d).
3. The non-recurring MGI Development and Testing rates have been removed effective with this TN29 filing.
4. The hourly and daily rates for MGI Additional Testing and Batch Update Testing are "pass through" rates to SMS/800 vendors and thus have no impact on revenue. The rate changes are based on contractual changes with vendors.

TABLE 2

SMS/800 - REVENUE REQUIREMENT SUMMARY

ITEM NO	BUDGET ELEMENT	Transmtl. 28 Projected Rev. Reqmnt. 6/15/05 - 6/14/06	Past Year		Future Year 6/15/06 - 6/14/07
		(a)	Actual 6/15/05 - 6/14/06 (b)	Past Year Variance (c)=(b-a)	(d)
1	<i>SMS/800 Operation & Administration</i>	8,286,524	7,895,400	-391,124	9,317,665
2	<i>Data Center Operation</i>	45,233,565	48,647,811	3,414,247	28,074,011
3	<i>Software Support</i>	12,379,321	12,525,479	146,159	10,894,877
4	<i>Total (items 1+2+3)</i>	65,899,409	69,068,690	3,169,281	48,286,553

Notes:

1. Column (a) reflects the projected revenue requirement filed with Tariff Transmittal No.28 for 12-month period of June 15, 2005 through June 14, 2006.
2. Column (b) reflects actual costs for period of June 15, 2005 through April 2006 plus projected costs for period of May 1, 2006 through June 14, 2006.
3. Column (c) is the difference between Column (b) and Column (a) amounts (past year projected and actual cost).
 - a. Data Center costs were higher than projected due to additional legacy transition efforts
 - b. SMS/800 Operation & Admin costs were lower than expected due to lower consulting costs
4. Column (d) is the revenue requirement projected for the future year period of June 15, 2006 through June 14, 2007, from Table 4
 - a. Projected costs decrease due to introduction of NG system with reduced cost infrastructure
5. SMS/800 Operation & Administration includes Help Desk.

TABLE 2A

**SMS/800 - REVENUE REQUIREMENT DETAIL (CONFIDENTIAL-
PROPRIETARY/REDACTED Non-Public Financial Information in Support of Tariff
Filing. Not for Public Disclosure.)**

**CONFIDENTIAL-PROPRIETARY
Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure.**

TABLE 2B
**SMS/800 - RESP ORG REVENUE (CONFIDENTIAL-
PROPRIETARY/REDACTED Non-Public Financial Information in Support
of Tariff Filing. Not for Public Disclosure.)**

TABLE 3
SMS/800 - DEMAND SUMMARY

ITEM NO.	SERVICE/RATE ELEMENT	Transmtl. 28		Past Year Variance	Projected Demand 6/15/06 - 6/14/07
		Projected Demand 6/15/05 - 6/14/06	Past Year Actual Demand 6/15/05 - 6/14/06		
		(a)	(b)	(c)=(b-a)	(d)
1	<i>Cust. Rcrd. Admn.</i>	270,732,900	281,494,447	10,761,547	276,279,600
2	<i>RESPORG Change</i>	55,093	38,882	(16,211)	45,849
3	<i>Access: Dial-up</i>	10,571	10,598	28	10,429
4	<i>Access: Ded. (non-MGI)</i>	784	733	(51)	783
5	<i>Access: Ded. (MGI)</i>	276	244	(32)	252
6	<i>Service Est. - First</i>	36	26	(10)	33
7	<i>Service Est. - Add'l.</i>	1,205	1,936	731	1,755
8	<i>Customer Reports</i>	445	334	(111)	396
9	<i>MGI Additional Testing per Hour</i>	390	907	517	742
10	<i>MGI Additional Testing per Day</i>	NA	0	NA	0
11	<i>Batch Update Testing per Hour</i>	NA	0	NA	0
12	<i>Batch Update Testing per Day</i>	NA	0	NA	0

Notes:

1. Column (a) reflects the projected demand filed with Tariff Transmittal No.28 for period of June 15, 2005 through June 14, 2006.
2. Column (b) reflects actual demand for data through April 14, 2006 and projected demand for April 15, 2006 through June 14, 2006. Details for Cust. Rcrd. Admn. demand (item 1) are found in Table 3A.
3. Column (c) reflects difference between the projected demand and actual demand for the period June 15, 2005 through June 14, 2006.
4. Column (d) reflects projected demand for period of June 15, 2006 through June 14, 2007.

TABLE 3A
SMS/800: CRA Demand Data

	January	February	March	April	May	June	July	August	September	October	November	December	Total
1993					3,010,536	3,057,738	3,082,959	3,171,217	3,189,910	3,291,276	3,413,024	3,513,029	25,729,689
1994	3,530,146	3,641,213	3,920,350	3,994,509	4,027,382	4,299,018	4,533,949	4,833,080	5,047,818	5,264,202	5,481,648	5,657,047	54,230,362
1995	5,780,592	5,976,917	6,143,859	6,353,798	6,577,347	6,781,100	6,829,783	6,845,507	6,883,147	6,941,020	6,981,109	6,980,352	79,074,531
1996	6,689,437	6,935,024	7,337,266	7,664,377	7,880,087	8,160,941	8,439,726	8,738,184	9,046,918	9,343,158	9,666,104	9,950,184	99,851,406
1997	10,103,675	10,304,718	10,563,886	10,851,251	11,091,599	11,296,361	11,662,373	11,986,080	12,403,293	12,864,596	13,191,511	13,387,120	139,706,463
1998	13,588,577	13,787,956	13,985,025	14,317,589	14,785,536	15,086,551	15,358,650	15,653,090	15,942,127	16,195,303	16,500,143	16,730,285	181,930,832
1999	16,880,002	17,047,544	17,288,406	17,676,100	18,047,277	18,377,443	18,607,845	19,034,305	19,414,611	19,679,782	20,085,221	20,465,301	222,603,837
2000	20,811,924	21,154,106	21,316,195	21,643,967	21,923,011	22,160,717	22,388,709	22,790,689	23,251,813	23,514,618	23,894,584	24,094,945	268,945,278
2001	24,270,379	24,363,754	24,380,714	24,521,736	24,488,361	24,526,559	24,505,838	24,450,819	24,462,339	24,424,360	24,373,791	24,402,684	293,171,334
2002	24,454,646	24,486,725	24,500,170	24,558,595	24,373,991	23,979,741	23,847,039	23,550,362	23,283,764	23,292,077	23,431,006	23,477,381	287,235,497
2003	23,530,145	23,516,563	23,577,331	23,616,524	23,429,077	23,274,761	22,950,144	22,497,523	22,200,086	21,852,694	21,864,645	21,962,635	274,272,128
2004	21,938,762	21,901,686	21,971,389	22,117,504	22,055,083	22,200,549	22,340,281	22,498,495	22,644,552	22,835,924	22,966,963	23,064,354	268,535,542
2005	23,229,089	23,346,549	23,201,081	23,134,450	23,330,814	23,527,391	23,463,699	23,596,503	23,599,853	23,515,387	23,522,065	23,447,553	280,914,434
2006	23,436,029	23,390,553	23,313,796	23,344,209	<i>23,419,000</i>	<i>23,445,800</i>	<i>23,362,200</i>	<i>23,278,600</i>	<i>23,195,000</i>	<i>23,153,100</i>	<i>23,111,200</i>	<i>23,069,300</i>	<i>279,518,787</i>
2007	<i>22,997,850</i>	<i>22,926,400</i>	<i>22,854,950</i>	<i>22,815,975</i>	<i>22,777,000</i>	<i>22,738,025</i>	<i>22,719,263</i>	<i>22,700,500</i>	<i>22,681,738</i>	<i>22,699,219</i>	<i>22,716,700</i>	<i>22,734,181</i>	<i>273,361,800</i>

Notes:

1. Demand quantities for May 1993 through April 2006 are actual amounts.
2. Demand quantities for May 2006 through December 2007 (in bold italics) are projected amounts.

TABLE 4
SMS/800 - DISTRIBUTION of REVENUE REQUIREMENT

ITEM NO.	RESPORG SERVICE/RATE ELEMENTS	REVENUE REQUIREMENT					TOTAL WITHOUT ALL OTHER OPER & ADM	
		SMS/800 OPER & ADM		DATA CENTER OPERATION	SOFTWARE SUPPORT	TOTAL REV REQ	\$	%
		Help Desk Operation	All Other Oper&Adm					
		(a)	(b)	(c)	(d)	(e)=(a+b+c+d)	(f) = (a+c+d)	(g) = (f/fTotal)
Total Rev Req =		1,642,265	7,675,400	28,074,011	10,894,877	48,286,553	40,611,154	
1	Cust. Rcrd. Admn.	972,881	6,720,350	24,505,450	10,079,579	42,278,261	35,557,910	87.557%
2	RESPORG Change	635,865	139,230	1,370	99,440	875,905	736,675	1.814%
3	Access: Dial-up		147,375	779,773	-	927,148	779,773	1.920%
4	Access: Ded. (non-MGI)		10,102	53,449	-	63,551	53,449	0.132%
5	Access: Ded. (MGI)		15,040	79,578	-	94,618	79,578	0.196%
6	Service Est. - First	33,519	8,729	6,304	6,363	54,916	46,187	0.114%
7	Service Est. - Add'l.	-	13,487	71,024	335	84,845	71,359	0.176%
8	Customer Reports	-	26,299	133,042	6,107	165,448	139,149	0.343%
SCP O/O ELEMENTS								
9	Access: 9.6 Kbps	-	1,984	10,495	-	12,479	10,495	0.026%
10	Access: 56 Kbps	-	63,964	338,441	-	402,405	338,441	0.833%
11	Record Trans. & Valid.	-	290,220	1,310,838	224,739	1,825,797	1,535,577	3.781%
12	Data Base Adm. & Ntwk. Mgmt. Support	-	238,620	784,246	478,314	1,501,180	1,262,560	3.109%
TOTAL		1,642,265	7,675,400	28,074,011	10,894,877	48,286,553	40,611,154	100.000%

Notes:

1. Projected Total Revenue Requirement amounts in columns (a), (b), (c), and (d) is developed from anticipated expenses.
2. Column (a) distributions calculated by applying factors from Table 5, column (a) to the revenue requirement.
3. Column (b) revenue requirement distributed proportionally to all elements by applying factors from Column (g).
4. Column (c) distributions calculated by applying factors from Table 5, column (d) to the revenue requirement.
5. Column (d) distributions calculated by applying factors from Table 5, column (e) to the revenue requirement.

TABLE 5
SMS/800 - COST DISTRIBUTION FACTORS

ITEM NO.	RESPORG SERVICE/RATE ELEMENT	HELP DESK TASK ORIENTED ANALYSIS (a)	SMS/800 LINES OF CODE ANALYSIS (b)	SMS PROCESSOR TRANSACTIONS ANALYSIS (c)	DATA CENTER COST DISTRIBN ANALYSIS (d)	SOFTWARE COST DISTRIBN ANALYSIS (e)
1	<i>Cust. Rcrd. Admn.</i>	59.240%	73.311%	89.693%	87.289%	92.517%
2	<i>RESPORG Change</i>	38.719%	3.858%	0.007%	0.005%	0.913%
3	<i>Access: Dial-up</i>				2.778%	
4	<i>Access: Ded. (non-MGI)</i>				0.190%	
5	<i>Access: Ded. (MGI)</i>				0.283%	
6	<i>Service Est. - First</i>	2.041%	0.130%	0.007%	0.022%	0.058%
7	<i>Service Est. - Add'l.</i>		0.130%		0.253%	0.003%
8	<i>Customer Reports</i>		0.237%	0.011%	0.474%	0.056%
<u>SCP O/O ELEMENTS</u>						
9	<i>Access: Non-MGI</i>				0.037%	
10	<i>Access: MGI</i>				1.206%	
11	<i>Record Trans. & Valid.</i>		7.484%	6.433%	4.669%	2.063%
12	<i>Data Base Adm. & Ntwk. Mgmt. Support</i>		14.850%	3.849%	2.793%	4.390%
	Total	100.0%	100.0%	100.0%	100%	100%

Notes:

1. The development and application of distribution factors is described in part 2.1 of the Description and Justification (D & J) for this tariff filing.

TABLE 6
SMS/800 - RATE DEVELOPMENT

ITEM NO.	RESPORG SERVICE/RATE ELEMENT	REV. REQMT. (a)	DEMAND (b)	RATE (c) = (a/b)
1	<i>Cust. Rcrd. Admn.</i>	\$ 42,278,261	276,279,600	\$ 0.1530
2	<i>RESPORG Change</i>	\$ 875,905	45,849	\$ 19.10
3	<i>Access: Dial-up</i>	\$ 927,148	10,429	\$ 88.90
4	<i>Access: Ded. (non-MGI)</i>	\$ 63,551	783	\$ 81.20
5	<i>Access: Ded. (MGI)</i>	\$ 94,618	252	\$ 375.47
		\$ -		
6	<i>Service Est. - First</i>	\$ 54,916	33	\$ 1,664.11
7	<i>Service Est. - Add'l.</i>	\$ 84,845	1,755	\$ 48.34
8	<i>Customer Reports</i>	\$ 165,448	396	\$ 417.80
9	<i>MGI Additional Testing per Hour</i>	NA	742	\$ 119.84
10	<i>MGI Additional Testing per Day</i>	NA	0	\$ 958.72
11	<i>Batch Update Testing per Hour</i>	NA	0	\$ 119.84
12	<i>Batch Update Testing per Day</i>	NA	0	\$ 958.72
	<i>RESPORG Rev Req</i>	\$ 44,544,692		

Notes:

1. Source for column (a) is Table 4, column (e).
2. Source for column (b) is Table 3, column (d).

TABLE 7

SMS/800 - EXPENSE SUMMARY (CONFIDENTIAL-PROPRIETARY/REDACTED Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure.)

CONFIDENTIAL - PROPRIETARY

Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure.

TABLE 8

SMS/800 - DEMAND DATA (CONFIDENTIAL-PROPRIETARY/REDACTED Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure.)